

Senate Study Bill 1124

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
ANGELO)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a premium tax offset for the Iowa individual
2 health reinsurance association, and phasing=in a standing
3 appropriation for replacement of the individual health
4 reinsurance association assessments upon political
5 subdivisions and school corporations.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

7 TLSB 2071SC 80

8 jj/cf/24

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1 1 Section 1. NEW SECTION. 509A.16 APPROPRIATION FOR
1 2 ASSESSMENTS LEVIED ON LOCAL GOVERNMENTS.

1 3 There is appropriated from the general fund of the state to
1 4 the Iowa individual health benefit reinsurance association
1 5 established pursuant to section 513C.10 the following amount
1 6 of the assessments due and owing, pursuant to section 513C.10,
1 7 from each political subdivision and school corporation for
1 8 health benefit plans:

1 9 1. For the fiscal year beginning July 1, 2003, twenty
1 10 percent of such assessments.

1 11 2. For the fiscal year beginning July 1, 2004, forty
1 12 percent of such assessments.

1 13 3. For the fiscal year beginning July 1, 2005, sixty
1 14 percent of such assessments.

1 15 4. For the fiscal year beginning July 1, 2006, eighty
1 16 percent of such assessments.

1 17 5. For the fiscal year beginning July 1, 2007, and
1 18 succeeding fiscal years, one hundred percent of such
1 19 assessments.

1 20 Sec. 2. Section 514E.2, subsection 13, Code 2003, is
1 21 amended to read as follows:

1 22 13. A member who, after July 1, ~~1986~~ 2003, has paid one or
1 23 more assessments levied under this chapter or chapter 513C may
1 24 take a credit against the premium taxes, or similar taxes,
1 25 upon revenues or income of the member that are imposed by the
1 26 state on health insurance premiums pursuant to chapter 432 or
1 27 payments subject to taxation under section 514B.31, up to the
1 28 amount of twenty percent of those taxes due, for each of the
1 29 five calendar years following the year for which an assessment
1 30 was paid, or until the aggregate of those assessments has been
1 31 offset by credits against those taxes if this occurs first.
1 32 If a member ceases doing business, all uncredited assessments
1 33 may be credited against its premium tax liability for the year
1 34 it ceases doing business.

1 35 EXPLANATION

2 1 This bill amends Code section 514E.2 to provide for a
2 2 phased-in, graduated, five-year premium tax offset for the
2 3 individual health reinsurance association assessments paid by
2 4 health insurers and health plans. The bill also adds new Code
2 5 section 509A.16, which establishes a five-year, phased-in,
2 6 graduated general fund appropriation to replace the
2 7 elimination of the individual health reinsurance association
2 8 assessments paid by self-funded government entities and school
2 9 districts.

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